



**Department of Justice
U.S. Attorney's Office
Southern District of Texas**

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**SCHLUMBERGER SUBSIDIARY TO PAY \$19.6 MILLION
TO RESOLVE CRIMINAL ALLEGATIONS**

HOUSTON, TEXAS – WesternGeco LLC, a Delaware corporation and wholly owned subsidiary of Schlumberger Seismic, Inc., and Schlumberger Technology Corporation, collectively part of Schlumberger, the world's largest oil-field services company, entered into an agreement with the United States to pay millions of dollars in penalties for knowingly submitting fraudulent applications for visas for their foreign workers assigned as crewmen on various U.S. owned or operated vessels on the Outer Continental Shelf (OCS) in the Gulf of Mexico, United States Attorney Don DeGabrielle announced today.

WesternGeco LLC (WesternGeco), was formed pursuant to a joint venture agreement between a Schlumberger company and another company in November 2000. WesternGeco maintains its headquarters for North and South American operations at 10001 Richmond Avenue, Houston, Texas, and operates a number of seismic vessels on the Outer Continental Shelf, specifically in the Gulf of Mexico. These vessels included the exempt vessels which received written authorization from the U.S. Coast Guard to employ foreign crewmembers, and non-exempt vessels which are required to employ only U.S. citizens or lawful permanent resident aliens as employees.

"We cannot permit any company to sponsor foreign employees into the U.S. workplace through the use of fraudulent visa practices," said United States Attorney Don DeGabrielle. "Today's agreement holds WesternGeco accountable for its past conduct and obligates it to continue its demonstrated commitment to follow the law or face criminal prosecution."

A federal investigation conducted through the joint efforts of the U.S. Department of State Diplomatic Security Service, U.S. Postal Inspection Service, the U.S. Department of Labor Office of Inspector General, the Internal Revenue Service Criminal Investigation, and the Federal Bureau of Investigation, produced evidence demonstrating hundreds of instances in which foreign employees were employed as crewmen aboard American owned non-exempt vessels on the OCS beginning on or before January, 2000 and continuing through 2004, in violation of federal law.

"This investigation uncovered 421 instances of visa fraud perpetrated to allow foreign nationals to work on marine vessels within the U.S. territorial waters. Today's deferred prosecution agreement with WesternGeco demonstrates our commitment to aggressively pursue

this crime and protect our borders from illegal entry,” said Joe Morton, Director of the Diplomatic Security Service.

The U.S. Attorney’s Office entered into a deferred prosecution agreement with WesternGeco today. Under the terms of the agreement, WesternGeco will pay \$18 million as a monetary penalty to the United States for knowingly causing its foreign employees to file fraudulent applications for United States visas and to make false statements to U.S. consular officers regarding the nature and destination of their employment. In addition, the corporation will pay \$1.6 million to be equitably shared by the several federal agencies involved as reimbursement for the cost of the investigation.

Recognizing the aggressive remedial actions undertaken by WesternGeco beginning in 2005 to correct its unlawful employment practices and its demonstrated full compliance with the U.S. visa and immigration laws and regulations, and the corporation’s acknowledged responsibility for its conduct, the United States Attorney’s Office has agreed to defer criminal prosecution for a period of 12 months provided the corporation complies with the terms of the agreement including continued full compliance with federal law, payment of the monetary penalties, and its promise of continued cooperation with the Southern District of Texas. Failure to comply with the conditions of the agreement subjects WesternGeco to criminal prosecution for conspiracy to violate the visa laws of the United States.

Schlumberger agreed to uphold the terms of the government’s deferred prosecution agreement with its subsidiary.

The agreement signed today is the result of the work performed by Assistant U.S. Attorneys Edward Gallagher and Michael Wright of the Major Offenders Group with the assistance of Assistant U.S. Attorneys Sue Kempner and Katherine Haden of the Asset Forfeiture Group. A copy of the agreement signed by the parties today at the office of the United States Attorney for the Southern District of Texas is attached.

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